## IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF TEXAS HOUSTON DIVISION

NATIONAL CHICKEN COUNCIL, et al., § § § Plaintiffs, VS. No. 4:24-cy-03786 § BROOKE ROLLINS, in her official capacity § as SECRETARY OF AGRICULTURE, et al., Judge Andrew Hanen § § Defendants, § and RANCHERS CATTLEMEN ACTION LEGAL FUND UNITED STOCKGROWERS § OF AMERICA, WESTERN § ORGANIZATION OF RESOURCE § COUNCILS, ALABAMA CONTRACT POULTRY GROWERS ASSOCIATION, § AND LATINO FARMERS AND RANCHERS INTERNATIONAL, § Proposed Defendant-Intervenors.

## **DECLARATION OF SARA KENDALL**

I, Sara Kendall, am over the age of 18, have personal knowledge of the facts set forth herein, and, if called as a witness, could and would competently testify to the following:

 I am the Program Director for the Western Organization of Resource Councils ("WORC"). I have held this position since 2018.

- WORC is headquartered at 220 S 27<sup>th</sup> Street, Billings, Montana, 59101. WORC 2. also maintains offices in Washington, D.C., where I have worked since 1994.
- 3. I make this declaration in support of WORC and other Farmer and Rancher Organizations' motion to intervene to National Chicken Council et al. v. Rollins, No. 4:24-cv-0378, which challenges the United States Department of Agriculture's ("USDA") Final Rule issued March 6, 2024, entitled "Inclusive Competition and Market Integrity Under the Packers and Stockyard Act" (the "Rule").
- 4. WORC is a network of grassroots organizations working to protect and support family farms and sustainable agriculture, land and water resources, and civic engagement. WORC's members include farmers, ranchers, and small business owners across Colorado, Idaho, Montana, Nebraska, North Dakota, Oregon, South Dakota, Wyoming, and Montana and North Dakota's eleven Native American reservations. WORC's network includes approximately 22,750 members, many of whom are ranchers and farmers.
- 5. WORC's mission is to advance the vision of a democratic, sustainable, and just society through community action and policy advocacy. WORC is committed to building sustainable environmental and economic communities that balance economic growth with the health of people and stewardship of their land and environmental resources. This includes advocating for common-sense reform in livestock markets and rural economic development that benefits its members.
- 6. WORC's rancher members became increasingly concerned about growing corporate concentration in cattle markets in the 1980s. They have been particularly concerned about the large meatpacking corporations using livestock they own or control under contract to lower prices paid to independent feeders and ranchers, and control market access and prices, as

well as labeling laws and rules that have often provided consumers with insufficient and confusing information that has restricted their ability to choose beef that is born, raised and processed in the United States.

Case 4:24-cv-03786

- 7. WORC has advocated on behalf of its members for increased and more effective enforcement of the Packers and Stockyards Act for decades. For example:
  - a. WORC commented on and supported USDA's most recent series of Packers & Stockyards Act rulemakings. *Proposed Packers and Stockyards Act Rules Receive Overwhelming Support*, CATTLE RANGE (Sept. 13, 2024),
    <a href="https://www.cattlerange.com/articles/2024/09/proposed-packers-and-stockyards-act-rules-receive-overwhelming-support/">https://www.cattlerange.com/articles/2024/09/proposed-packers-and-stockyards-act-rules-receive-overwhelming-support/</a>;
  - b. WORC called on the Biden Administration to promulgate robust rules under the Packers & Stockyards Act to protect ranchers. Western Ranchers Need Swift Completion of Packers and Stockyards Act Rules, WORC (Dec. 18, 2023), <a href="https://www.worc.org/western-ranchers-need-swift-completion-of-packers-and-stockyards-act-rules/">https://www.worc.org/western-ranchers-need-swift-completion-of-packers-and-stockyards-act-rules/</a>;
  - c. WORC opposed weak Packers & Stockyards Act rules promulgated by USDA in 2020 that made it harder for farmers and ranchers to protect their interests in court. *Trump Administration Falls Short on Rules to Ensure Competitive Livestock Markets and Fair Contracts*, WORC (Feb. 24, 2020), <a href="https://www.worc.org/trump-administration-falls-short-on-rules-to-ensure-competitive-livestock-markets-and-fair-contracts/">https://www.worc.org/trump-administration-falls-short-on-rules-to-ensure-competitive-livestock-markets-and-fair-contracts/</a>;
  - d. WORC supported the 2016 Farmer Fair Practices rulemaking, which made it clear that a producer harmed by unfair practices does not have to demonstrate harm to

- the entire industry to win in court, and opposed its withdrawal in 2017. USDA drops ranchers' protection against unfair meatpacker practices, WORC (Winter, 2017), https://www.worc.org/media/Winter-2017-2018-WOR.pdf;
- e. WORC petitioned USDA to promulgate Packers & Stockyards Act rules in 1997 when it proposed a set of rules to protect cattle producers from market manipulation enabled by a lack of transparency and competitiveness in cattle pricing. There Is a Solution, WORC (Mar. 16, 2017), https://www.worc.org/cattle-market/;
- 8. WORC engaged in the public notice and comment process that led to the Rule being challenged here and expressed strong support while also suggesting ways to improve upon the initial proposal.<sup>1</sup>
- 9. Some of WORC's members sell to meatpacking companies, including the "Big Four" that overwhelmingly control the U.S. meat market: Cargill Meat Solutions, Tyson Fresh Meats, JBS S.A., and National Beef Packing Co. One of the biggest threats to these members is the highly concentrated nature of local markets that are dominated by just a few large packers, which leaves these ranchers with few or no alternative options to sell their livestock. When these large packers purchase cattle from WORC's members, they are able to exert enormous market power and often put producers in a take-it-or-leave-it situation, especially smaller-scale ranchers.
- 10. WORC members are involved in all stages of the cattle production process and include seed-stock producers, cow/calf producers, stockers and backgrounders, as well as cattle feeders. Some of these members are small or medium-sized independent producers who do not regularly sell to large packers, and instead sell their cattle to feedlots or directly to consumers.

4

<sup>&</sup>lt;sup>1</sup> Those comments will be in the administrative record for this case and are additionally available online at: https://www.regulations.gov/comment/AMS-FTPP-21-0045-0423.

Many of these members have said that they prefer this type of operation because they do not want to be directly subject to the big meatpackers' market control.

Case 4:24-cv-03786

- 11. The large packers' substantial market power allows them to systematically engage in retaliatory, deceptive, and discriminatory practices that deprive independent ranchers of the true and fair value of their cattle and inflict significant economic harm on their businesses.
- 12. For example, packers coerce livestock producers including WORC members into selling their cattle through unfavorable forward contracts, also known as alternative marketing arrangements, in which the price the packer will pay for cattle is subject to change based on pricing formulas that packers can manipulate to their advantage. Packers force producers to accept these arrangements by refusing to bid for cattle in negotiated cash markets unless the producer agrees to enter one of these unfavorable forward contracts with the packer. This places nearly all control in the packer's hands, making further harmful conduct more likely and easier for packers to engage in with impunity. For example, packers use deceptive delivery practices by refusing to accept delivery of a rancher's cattle when supply is high until weeks after a price for the cattle has been negotiated, even though every day delivery is delayed can force the producer to incur substantial additional and unanticipated production costs that would have been avoided if they were allowed to deliver on time.
- 13. If a cattle producer does anything a packer may perceive as a slight or resistance to its abusive practices, or otherwise tries to call attention to or push back against unfair contracting or buying practices, packers regularly retaliate against them by terminating contracts and blacklisting them. Effectively, the packers can run a ranching family out of business for any perceived slight. This pervasive threat of retaliation has resulted in widespread fear among farmers and ranchers, including some of WORC's members, that if they speak out against

abusive practices they will be the subject of retaliation. This forces producers to walk on eggshells all the time out of fear of a packer's one-sided ability to make or break a family farming operation.

Case 4:24-cv-03786

- 14. WORC members have experienced this mistreatment firsthand, but they fear that coming forward in this or other legal proceedings would put their businesses and livelihoods at risk. This is especially true since the Plaintiffs in this case are trying to enjoin a rule that specifically protects WORC's membership from retaliation.
- 15. Were WORC's members to identify themselves individually, WORC believes they would be subject to retaliation that would threaten their economic well being and, in some cases, risk losing a treasured family farm. Numerous examples of such retaliation over decades are well-known and credible to WORC's members. For example:
  - a. Feedlot owner files lawsuit against KC-based meat packer, No Bull Food News

    (Dec. 17, 2002) <a href="https://nobull.mikecallicrate.com/2002/12/17/feedlot-owner-files-lawsuit-against-kc-based-meat-packer/">https://nobull.mikecallicrate.com/2002/12/17/feedlot-owner-files-lawsuit-against-kc-based-meat-packer/</a>
  - b. Cattlemen struggle against giant meatpackers and economic squeezes, High

    Country News (Mar. 21, 2011) <a href="https://www.hcn.org/issues/43-5/cattlemen-struggle-against-giant-meatpackers-and-economic-squeezes/">https://www.hcn.org/issues/43-5/cattlemen-struggle-against-giant-meatpackers-and-economic-squeezes/</a>
  - c. Public Workshops exploring Competition in Agriculture: Poultry Workshop
     Transcript, USDOJ/USDA (May 21, 2010)
     <a href="https://www.justice.gov/atr/media/1244676/dl?inline">https://www.justice.gov/atr/media/1244676/dl?inline</a>
  - d. Ranchers Fear Retaliation From Meat Industry, Senator Says, The Cattle Range
    (April 27, 2022) <a href="https://www.cattlerange.com/articles/2022/04/ranchers-fear-retaliation-from-meat-industry-senator-says/">https://www.cattlerange.com/articles/2022/04/ranchers-fear-retaliation-from-meat-industry-senator-says/</a>

16. WORC members' livelihoods and ability to thrive as farmers and ranchers depend upon strong Packers and Stockyards Act regulation and enforcement. The Rule provides critical protections against retaliatory, deceptive, and unjustly discriminatory practices that pervade the livestock industry and have unfortunately become a regular feature of some of its members' daily lives and business interactions. WORC and its members would suffer significant harm if the Rule were vacated as a result of this litigation. WORC strongly believes the only way it can adequately protect its members' interests that are a stake in this action is by intervening in defense of the Rule on behalf of its membership.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 31, 2025 in Washington, DC.

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Sara Kendall